



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

MAY 22, 2003

<u>TM GRAIN TRANSPORT COST</u> <u>INDICATORS</u>	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Ocean</u>	
				Gulf	PNW
Indicator Value* for 05/22	97	95	61	-	-
Compared to Last Week	unchanged	↓	↓	-	-
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan					

DOT Announces New Truck Driving Regulations. Recently the U.S. Department of Transportation (DOT), Federal Motor Carrier Safety Administration (FMCSA), announced a substantial change in truck driving rules. The announcement marks the first significant change in truck driving rules in over 64 years. The rule allows truckers up to 11 on-duty driving hours but only after 10 consecutive hours of off-duty time.

The previous rules carried various exemptions, one of which applied to agricultural trucking firms through the Highway Designation Act of 1995. The exemption permitted drivers for agricultural transportation and marketing operations unlimited on-duty driving hours during the planting and harvesting seasons so long as transportation activities occurred within a 100-mile radius from farms or agricultural distribution centers. Even though USDA had argued to preserve the exemption in recent years, FMCSA had indicated it planned to abandon the exemption. With the new rules, however, agriculture's exemption is preserved. It is estimated that 89 percent of all produce is transported by truck.

Some other important points in the rule are noted below:

- Driving is permitted 7 days a week, for a total of 60 hours.
- Alternatively, cumulative work for 8 days is permitted but only up to 70 hours.
- No nighttime or weekend restrictions apply.
- No in-cabin electronic monitors are required for compliance due to technological and privacy concerns.
- No change in team-driving requirements apply.
- On-duty status can be reset after 34 hours of continuous off-duty time.

DOT estimates the new rule will lower the cost of moving freight by 1 percent and contribute \$98 billion to the economy each year. DOT also estimates the new rule could save 75 lives and prevent as many as 1,326 fatigue-related crashes annually.

While most trucking industry officials applauded the new rule, some labor and independent owner-operator stakeholders criticized the rule for its minimal effect on safety in the face of greater just-in-time delivery practices.

The final rule will take effect in January 2004. James.delciello@usda.gov

Report is prepared by Deen Olowolayemo, Johnny Hill and Karl Hacker, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202)720-2600. To file a complaint, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

Contents

Rail	13
Barge	15
Truck	16
Grain Exports ...	17
Container	19

The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

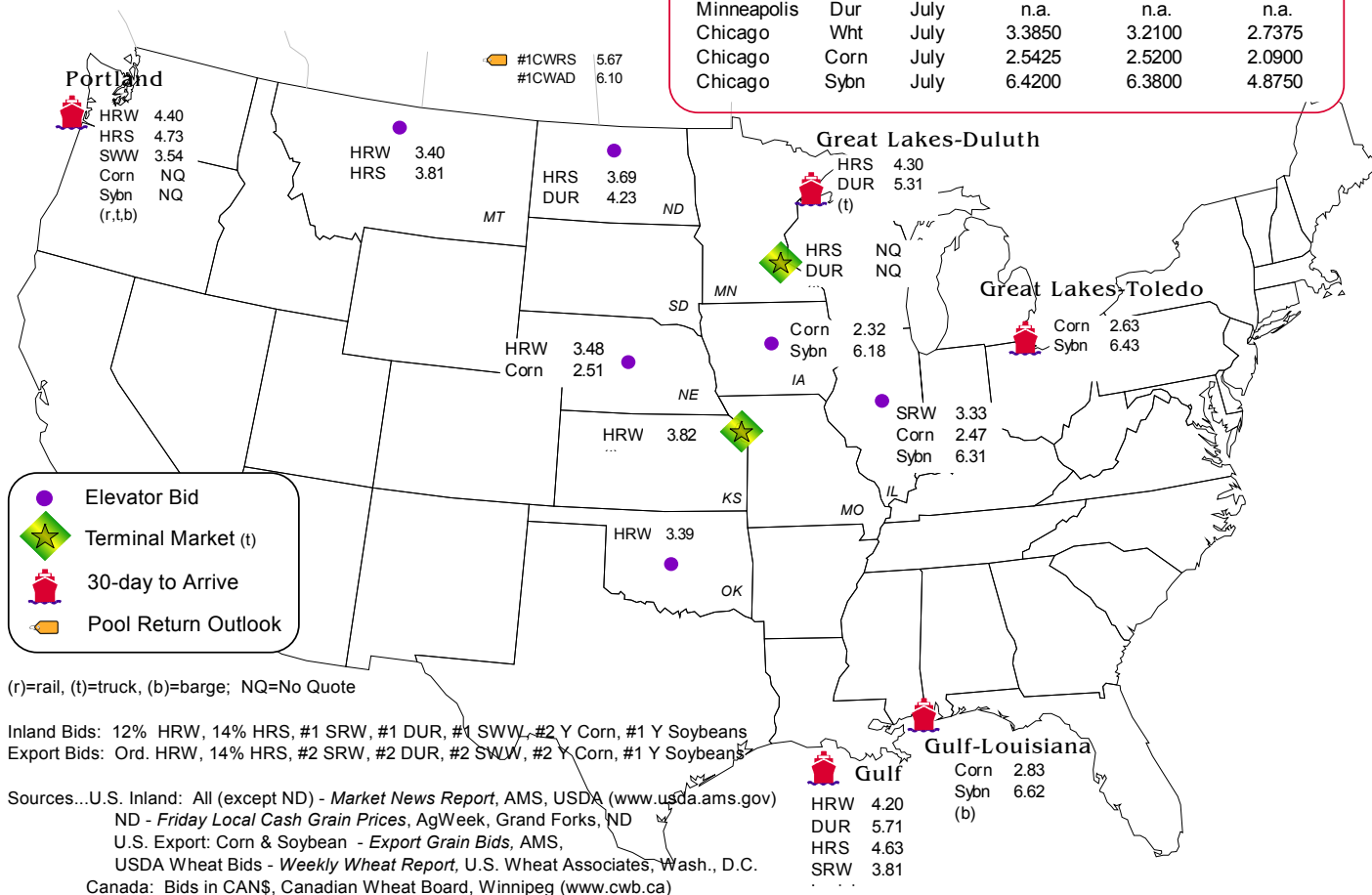
Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.36	-0.35
Corn	NE -- Gulf	-0.32	-0.29
Soybean	IA -- Gulf	-0.44	-0.49
HRW	KS -- Gulf	-0.38	-0.43
HRS	ND -- Portland	-1.04	-1.16

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Grain Bid Summary

Futures:				05/16/2003	Week Ago 05/09/2003	Year Ago 05/17/2002
Kansas City	Wht	July		3.4950	3.3450	2.8175
Minneapolis	Wht	July		3.7775	3.7025	2.9275
Minneapolis	Dur	July		n.a.	n.a.	n.a.
Chicago	Wht	July		3.3850	3.2100	2.7375
Chicago	Corn	July		2.5425	2.5200	2.0900
Chicago	Sybn	July		6.4200	6.3800	4.8750



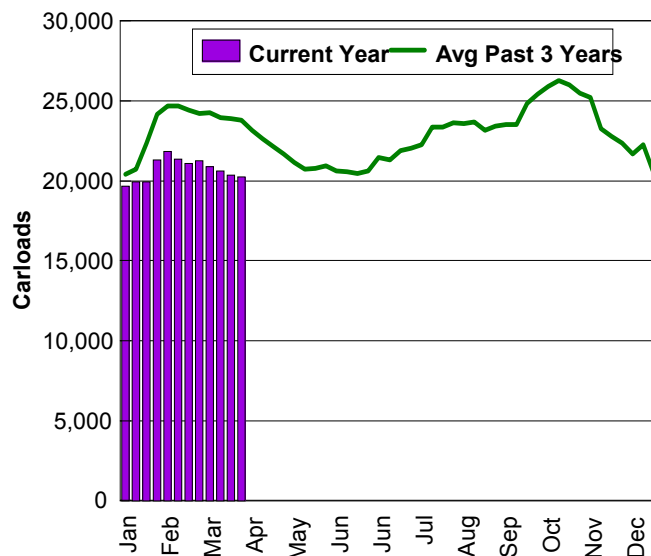
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

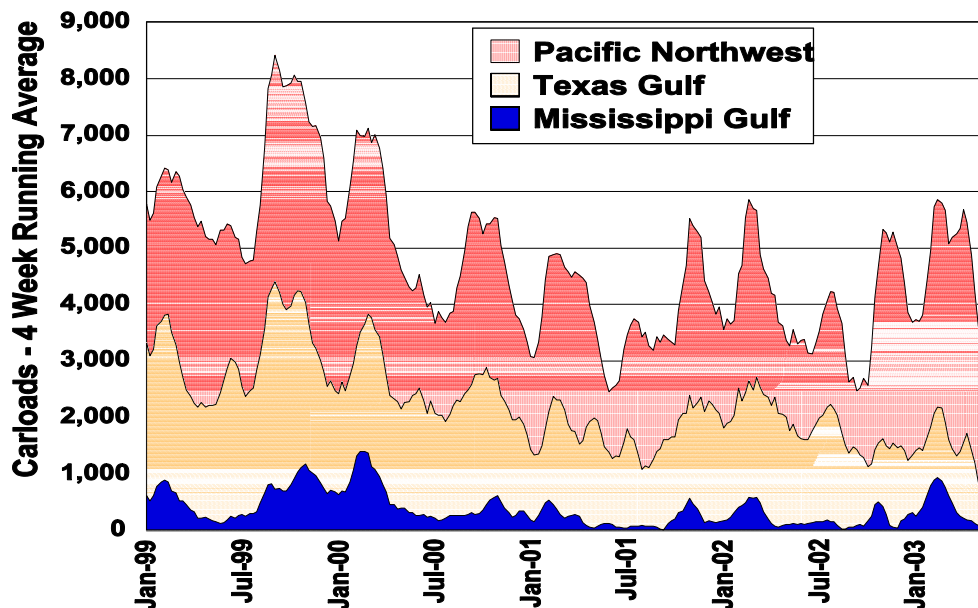
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
04/30/03	181	314	2,828	217	3,540
05/07/03	14	719	2,008	33	2,774
YTD 2003	8,060	20,150	62,626	8,815	99,651
YTD 2002	5,452	37,104	39,677	10,542	92,775
% YTD 2002	148%	54%	158%	84%	107%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East			West		U.S. Total	Canada	
	CSXT	NS		BNSF	KCS		CN	CP
05/10/03	2,498	3,201	6,398	306	5,540	17,943	2,898	3,206
This Week Last Year	2,383	3,067	6,248	344	5,894	17,936	4,049	3,419
2003 YTD	52,917	61,310	143,665	6,559	120,836	385,287	63,999	66,031
2002 YTD	55,357	60,811	141,125	11,348	127,310	395,951	77,299	69,483
% of Last Year	96%	101%	102%	58%	95%	97%	83%	95%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. Rail Covered Hopper Cars Online Index*

April-03	95.0	101.7	94.4	92.6	91.4	94.6
----------	------	-------	------	------	------	------

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jun-03	Jul-03	Aug-03
COT/N. Grain	\$0	\$0	\$0
COT/S. Grain	no bid	no bid	\$0
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	\$1	\$2	\$1

Source: Transportation & Marketing/AMS/USDA.

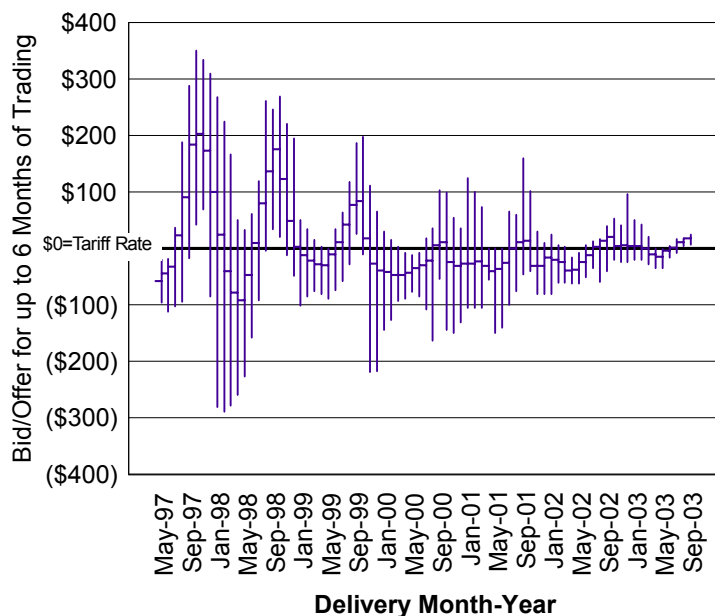
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	May-03	Jun-03	Jul-03	Aug-03
BNSF-GF	\$0	\$(6)	\$(5)	\$(0)
UP-Pool	\$0	\$5	\$6	\$14

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

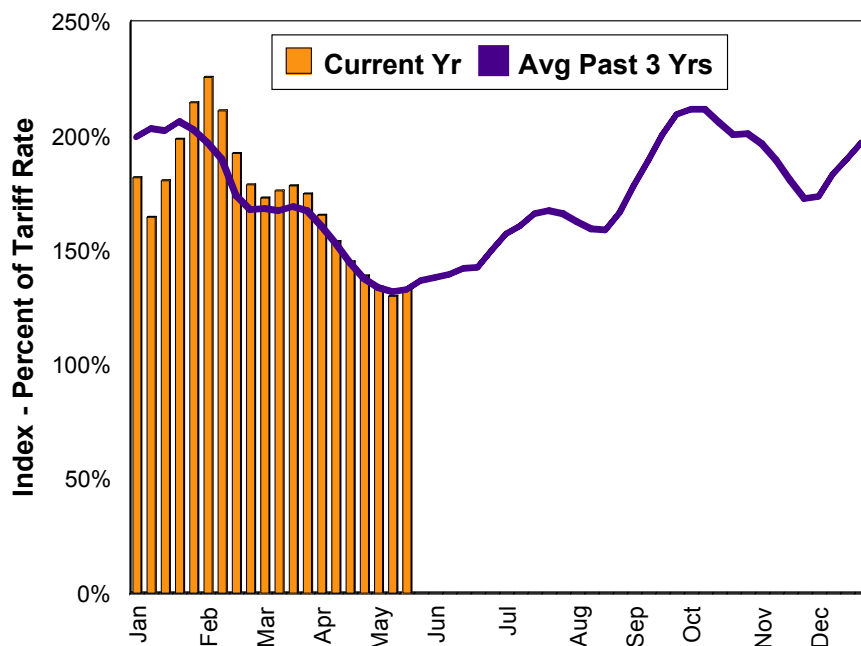
May 2003

Source: www.bnsf.com, approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/05/03	113710	Wheat	Kansas City, MO	Galveston, TX	\$1,650	\$18.19	\$0.50
05/05/03	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
05/05/03	46540	Wheat	St. Louis, MO	Houston, TX	\$1,695	\$18.68	\$0.51
05/05/03	113710	Wheat	Kansas City, MO	Laredo, TX	\$2,110	\$23.26	\$0.63
05/05/03	15507	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
05/05/03	31005	Corn	Minneapolis, MN	Portland, OR	\$2,700	\$29.76	\$0.76
05/05/03	1132.002	Corn	Chicago, IL	Baton Rouge, LA	\$1,845	\$20.34	\$0.52
05/05/03	1132.03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$1,970	\$21.72	\$0.55
05/05/03	113210	Corn	Evansville, IN	Raleigh, NC	\$1,816	\$20.02	\$0.51
05/05/03	1132	Corn	Des Moines, IA	Laredo, TX	\$2,525	\$27.83	\$0.71
05/05/03	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,115	\$34.34	\$0.93
05/05/03	61410	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,073	\$22.85	\$0.62
05/05/03	61110	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,020	\$22.27	\$0.61
05/05/03	1144	Soybeans	Des Moines, IA	Laredo, TX	\$2,817	\$31.05	\$0.85
05/05/03	11441	Soybeans	Evansville, IN	Raleigh, NC	\$1,816	\$20.02	\$0.54

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate Per Ton**:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	5/15/03	5/7/03	June '03	August '03
Twin Cities	189	166	186	204
Mid-Mississippi	161	143	144	180
Illinois River	148	128	148	173
St. Louis	85	91	113	149
Lower Ohio	118	114	126	162
Cairo-Memphis	103	88	108	141

Source: Transportation & Marketing /AMS/USDA

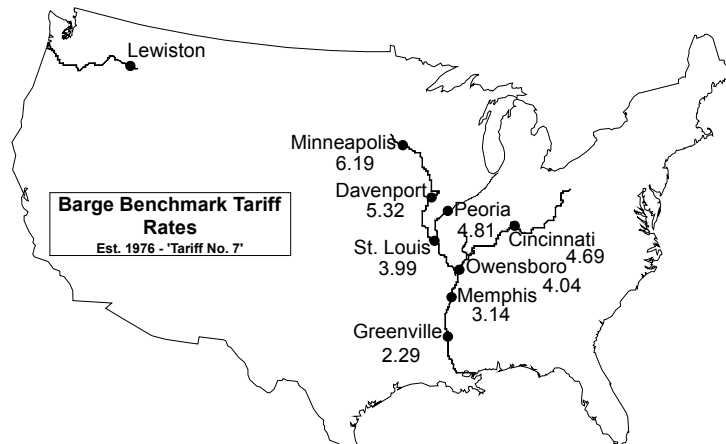
BARGE FUTURES MARKET

Southbound Barge Freight Nominal/Cash Basis Values

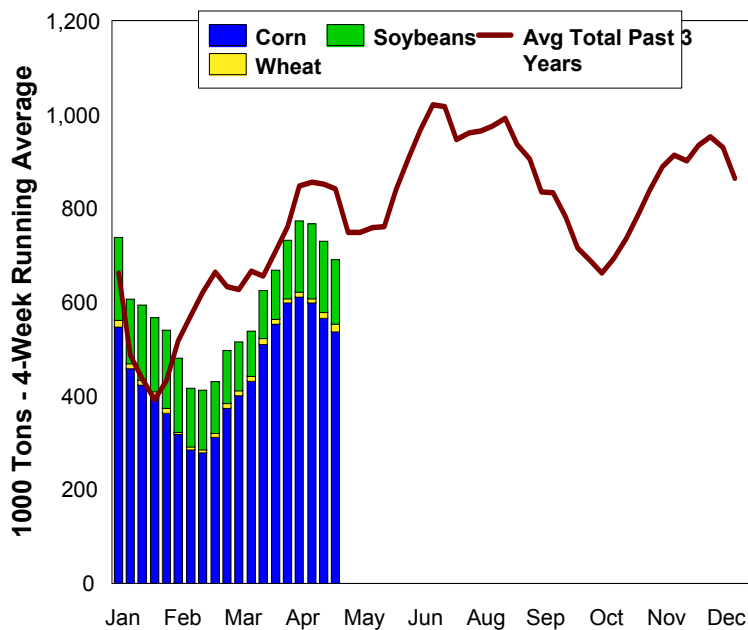
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
5/20/03	St. Louis	Jun	n/a	125
		Aug	n/a	155
		Oct	n/a	210
		Nov	n/a	152
		Dec	n/a	140
	Illinois River	Jun	n/a	143
		Aug	n/a	170
		Oct	n/a	220
		Nov	n/a	175
		Dec	n/a	168

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)

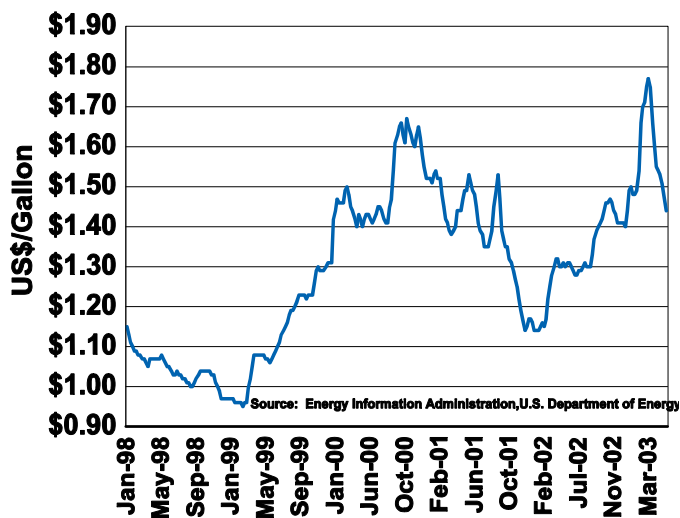
Barge Grain Movements (1,000 Tons)
for week ending 5/10/03

	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	238	15	43	297
Winfield, MO (L25)	377	14	105	495
Alton, IL (L26)	482	15	105	603
Granite City, IL (L27)	482	15	105	603
Illinois River (L8)	93	2	5	99
Ohio River (L52)	12	3	20	37
Arkansas River (L1)	0	7	3	0
2003 YTD	9,497	625	3,709	14,208
2002 YTD	12,282	819	4,026	17,840
% of 2002 YTD	78%	77%	93%	80%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers,
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

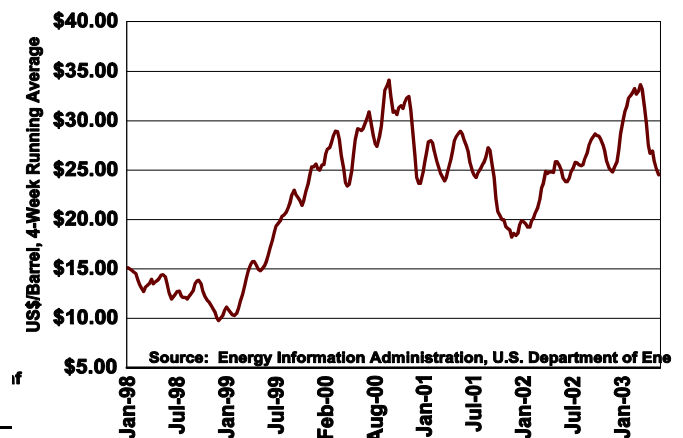
TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly Brent Crude Price, Friday Close



Crude Oil Prices (05/20/03)

US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	28.11	27.79	↑
Brent Crude	26.49	25.48	↑

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)

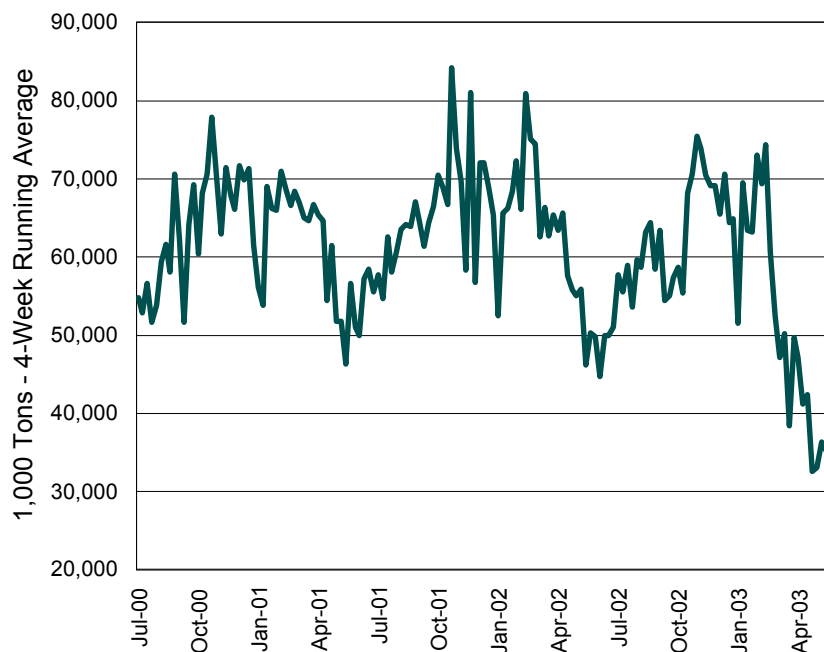
	Wheat					Corn	Soybean	Total
	HRW	SRW	HRS	SWW	DUR			
05/08/2003	1,212	348	1,198	588	170	3,514	6,102	12,397
This Week Year Ago	591	320	392	332	19	1,653	2,495	10,984
Cumulative Exports-Crop Year								
02/03 YTD	6,629	2,761	6,213	3,342	714	19,659	25,591	72,349
01/02 YTD	8,277	5,265	5,291	2,991	1,105	22,929	24,804	79,370
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	26,972	101,185

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
05/15/03	154	121	24	24	627	76	30	0	0	298	727	30
2003 YTD	3,192	2,189	2,365	1,650	10,026	8,743	1,605	529	50	7,746	20,419	2,184
2002 YTD	3,358	1,880	1,097	2,462	14,282	8,479	2,386	111	240	6,336	25,224	2,736
% of 2002 YTD	95%	116%	215%	67%	70%	103%	67%	477%	21%	122%	81%	80%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export**Select Canadian Port Export Inspections**

1,000 Metric Tons, Week End Summary

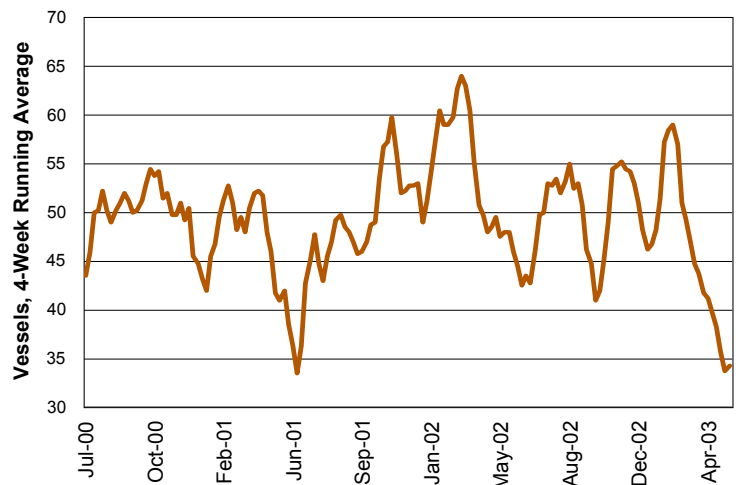
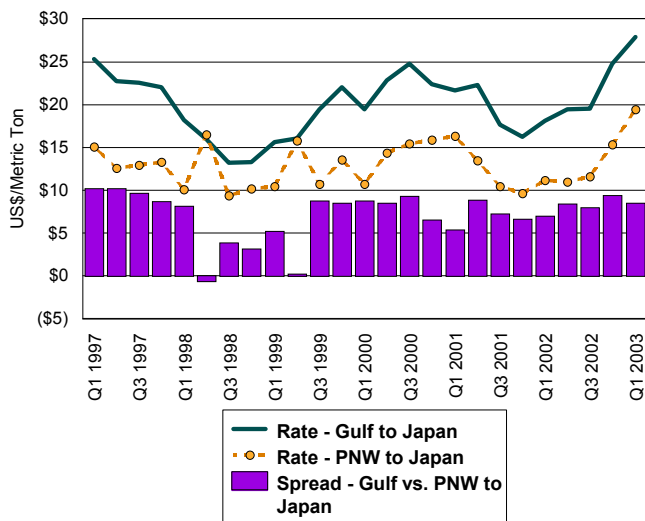
04/17/2003	Wheat	Durum	Barley
Vancouver	11		4
Prince Rupert			
Prairie Direct	17		1
Thunder Bay			
St. Lawrence	3,460	1,798	256
2001/02 YTD	8,878	2,283	711
2002/03 YTD	3,488	1,798	261
% of Last Year	255%	127%	272%

Source: Canadian Grains Commission, Crop Year 8/1-7/31

Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
05/08/03	15	36	56	6	6
05/15/03	23	36	43	11	7
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading Past 7 Days**Grain Vessel Rates to Japan****Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2003 1 st Qtr	2002 1 st Qtr	% Change		2003 1 st Qtr	2002 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$27.91	\$18.25	53%	Japan	\$19.43	\$11.31	72%
Mexico	-	\$31.49	-				
Venezuela	\$15.00	-	-				
N. Europe				Argentina/Brazil to			
N. Europe	\$14.50	\$10.67	36%	Med. Sea	\$25.35	\$17.85	42%-
N. Africa	-	\$17.58	-	N. Europe	-	\$13.48	-
Med. Sea	\$14.50	\$10.97	32%	Japan	-	\$25.59	-

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates for Selected Shipments - week ending 5/17/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	Angola	Corn	May 15/25	14,550	\$44.15
U.S. Gulf	Colombia	Heavy Grain	May 16/20	5,000/3,500	\$16.50
PNW	Ethiopia	Wheat	May 15/30	5,440	\$119.63*
Mexico	Algeria	Wheat	May 12/18	35,400	\$28.75
U.S. Gulf	Japan	Heavy Grain	May 7/18	54,000	\$34.00
U.S. Gulf	Djibouti	Wheat	May 25/Jun 5	53,890	\$65.31*
Norfolk	Latvia	Wheatflour Bggd	Jun 20/30	1,650	\$70.61*
U.S. Gulf	Angola	Maize Bggd	Jun 7/15	1,500	\$130.00*

Source: Maritime Research Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

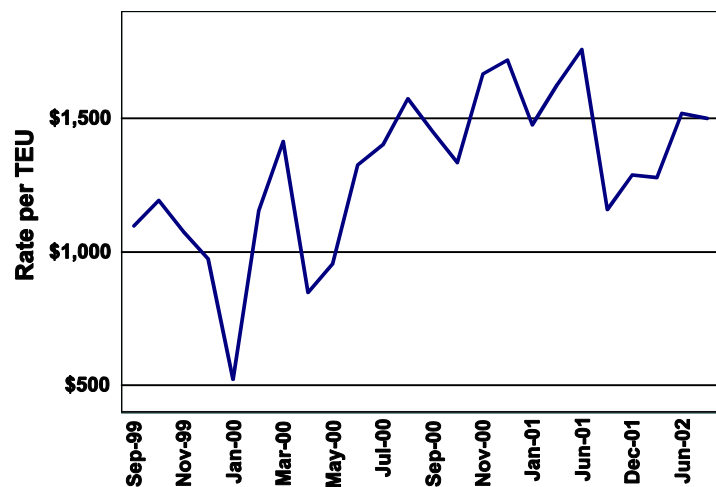
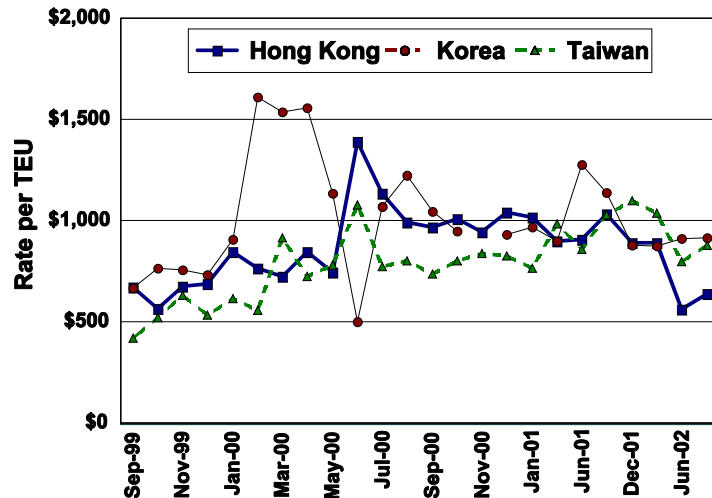
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CONTAINER

Container Ocean Freight Rates

Average Rate per TEU, Weighed by Shipping Line Market Share

Source: Transportation & Marketing/AMS/USDA, Quarterly Updates

Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan**Container Rates - Feed Grain**
Seattle, WA Origin to Selected Destinations

Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.